

PUBLIC SESSION MINUTES
North Carolina State Board of CPA Examiners
June 22, 2017
Grandover Conference Center
Greensboro, NC

MEMBERS ATTENDING: Wm. Hunter Cook, CPA, President; Cynthia B. Brown, CPA, Vice President; Jeffrey J. Truitt, Esq., Secretary-Treasurer; Murchison "Bo" Biggs, CPA; Justin C. Burgess; L. Samuel Williams, Jr., CPA; and Michael H. Womble, CPA (via telephone).

STAFF ATTENDING: Robert N. Brooks, Executive Director; David R. Nance, CPA, Deputy Director; Frank Trainor, Esq., Staff Attorney; and Noel L. Allen, Esq., Legal Counsel.

GUESTS: Sharon Bryson, CEO, NCACPA; Mark Sotichack, CPA, COO, NCACPA; Amanda Davis, Director of Learning and Development, NCACPA; and Rollin Groseclose, CPA, Chair, NCACPA.

CALL TO ORDER: President Cook called the meeting to order at 10:00 a.m. Pursuant to the State Government Ethics Act, Mr. Truitt identified a possible conflict of interest on issues regarding the NC Association of CPAs and the American Institute of CPAs as these entities are clients of his employer, Smith Anderson.

MINUTES: The minutes of the May 25, 2017, meeting were approved as submitted.

FINANCIAL AND BUDGETARY ITEMS: The May 2017 financial statements were accepted as submitted.

Messrs. Truitt and Williams moved to approve the opening of a Certificate of Deposit account with Live Oak Bank in Wilmington, NC. Motion passed.

NATIONAL ORGANIZATION ITEMS: Messrs. Williams and Biggs moved to approve the draft response of the Board to the American Institute of CPAs *Proposed Evolution of Peer Review Administration*. Motion passed with seven (7) affirmative and zero (0) negative votes.

The draft response to the *Draft Model Rules for CPE* needed additional work and the Board asked Messrs. Cook and Brooks to complete the draft and submit to NASBA prior to the deadline.

STATE AND LOCAL ORGANIZATION ITEMS: Board members commented on the NCACPA CPA Inauguration ceremony for individuals licensed by the Board in the past year that was held at the Grandover Resort and Conference Center on June 21, 2017.

Messrs. Williams and Biggs moved to approve Memorandum of Agreement with the Local Government Commission, the Office of the State Auditor, the NCACPA, and the Board (Appendix I). Motion passed with seven (7) affirmative and zero (0) negative votes.

REPORT OF THE PROFESSIONAL STANDARDS COMMITTEE: Ms. Brown moved and the Board approved the following recommendations of the Committee:

Case No. C2017108 - Jon-Michael Devine, CPA - Approve the signed Consent Order (Appendix II)

Case No. C2017115 - Galadriel E. Williams, CPA - Approve the signed Consent Order (Appendix III)

Case No. C2017065 - Ward I. Scott, CPA - Approve the signed Consent Order (Appendix IV)

Case No. C2017025 - Close the case without prejudice.

Case No. C2017051 - Close the case without prejudice.

Case No. C2017123 - Close the case without prejudice.

REPORT OF THE PROFESSIONAL EDUCATION AND APPLICATIONS COMMITTEE: Mr. Biggs moved and the Board approved the following recommendations of the Committee:

Reciprocal Certificate Applications - The Committee recommended that the Board approve the reciprocal application submitted by Justin David Gambill.

Temporary Permits - The Committee recommended that the Board approve the following temporary permits that were approved by the Executive Director:

Jason Daniel Holt, T9859
Joel Thomas Patterson, T9860
Peter Edward McElhinney, T9861
Jacqueline A. Zuber, T9862
Joseph Benjamin Sutter, T9863
Brian D. Gorman, T9864
Amy Michaela McGuire, T9865

Christina Marie Campion, T9866
Michael Mariano Bersani, T9867
Nabil A. Sibay, T9868
Michele Ayne Reagan, T9869
Thomas Austin Vincent Guglielmi,
T9879
Donald John Wentling, III, T9880

Tonya J. Pinkerton, T9881
Dona Lorrie Braswell, T9882
Benjamin Michael Perron, T9883

Charles Haywood Fry Hardy, T9884
John Charles Siebert, T9885
Bridget Marie Dolinar, T9886

Firm Registrations - The Committee recommended that the Board approve the professional corporation Brad DeWeese CPA, P.A that was approved by the Executive Director.

Extension Requests - The Committee recommended that the Board approve the following individual for extension for completion of CPE until the dates noted:

Patricia Fry Steward, #12951 - 6/30/17

CPE Matters - The Committee reviewed a hypothetical CPE report. The Committee recommended that the Board disapprove the report.

Letters of Warning - The Committee recommended that the Board approve the requests to rescind the Letters of Warning awarded to the individuals listed below:

Jason Russell Lewis, #30936
Robert Edward Mayhew, #37771

Robert Lawrence Rusch, Jr., #36656
JoAnn Dust Vaughan, #15140

Examinations -The Committee recommended that the Board approve the following staff-approved applicants to sit for the Uniform CPA Examination:

Holly Abbott
Mariam Abebe
William Abee
Ayra Ajel
Margaret Akomah-Zachary
Daniel Ambrose
Alexander Bacon
David Badger
Elizabeth Bagwell
Ina Balentine
Lucas Bayless
Mitchell Bennett
Sydney Bennett
Thomas Bickes
Anglea Blackwell
Lori Bogues
Natalie Bolick
Lauren Bolusky
Stacy Bonds

Cameron Bowen
Joseph Bridgeman
Jessica Brinkmann
Alisa Brown
Ray Brown
William Bryant
Penny Buckner
David Bullard
William Burke
Wendy Burnes
Karen Byrdsong
Robert Callaghan
Maitland Chase
Jedediah Chilton
Jonathan Clark
Adam Clayton
Jarret Cline
Lindsay Clouse
Melanie Clyburn

Kevin Collins
Brian Combs
Grayson Compton
Michelle Corriveau
Lynn Couturier
Jonathan Cox
Hayley Crumley
Timothy Daly
Victoria Dawson
Christianne De La Cruz
Catherine Del Casino
Brian Douglass
Rowan Drake
Tawanda Dzangare
Shannon Earp
Taylor Edge
Callie Efird
Kendall Einbinder
Kristen Ernest
Sarah Exley
Brian Ferguson
Rebecca Fillion
Matthew Finney
Laura Fisher
Hannah Floyd
Morgan Foody
Laura Frazier
Leanne Fredericks
Krystal Frizzell
Anna Futrell
Tristan Gales
Lingyi Gao
Priscila Garcia Aguirre
Trevor Gardner
Jacob Garner
Andrea Gawkins
Meredith Gay
Gerald Gayle
Rebecca Geddes
Gregory Gehsmann
Nicholas Georges
Janeane Gibson
Zachary Giles
Kelly Gooderham

Tiffany Goodman
Christian Goodwin
Jennifer Gordon
Barry Griffith
Kayla Griffith
Cynthia Grose
Rachel Grote
Seth Guge
Morton Gurley
Geoffrey Haigler
Lindsay Hancock
Christopher Hardin
Nicholas Harris
Elissa Harvey
Kali Havner
Daniel Hayes
Daniel Helms
Lauren Henry
Courtney Hickland
Joshua Hill
Elyse Hiraoka
Shannon Hogan
Jacob Hopkins
Benjamin Horne
Emilie Houston
Staci Huffman
Noah Huffstetler
Bradley Hulker
Kevin Israel
Benjamin Jacobson
Hamilton James
Kimoi James
Angela Johnson
John Johnson
Jeffrey Joyce
Spencer Kendle
Daniel Key
Rebecca King
Keaton Kirby
Hannah Krainiak
Eleonora Kuncheva
Kyle Kwiatkowski
Jacques LeBlanc
Steven Leerberg

Mary Lennon
Cameron Losser
Jacob Loyst
Nicholas Lyons
Thomas MacInnes
Jonathan Macon
LaToya Malloy
Patricia Mann
Kane Mason
Claire Mathias
Alexandria McCarrick
Jacob McConnell
Madison McDonald
Latavia McGee
Carter McKaughn
Colin McKenna
Sarah McKinney
Kimberly McLucas
Michael Meglin
Addis Melesse
Erica Merriman
Amber Milby
Tracy Miliano
John Miller
Joshua Miller
Ryan Miller
Ashleigh Mobley
Olivia Moody
Stuart Moody
Robert Moore
Adam Morris
James Morrison
Lucas Nash
Scott Nashland
Nader Nasrallah
Kean Nguyen
Dennis Niesborella
Chukwuma Nnebe-Agumad
Jordan Norris
Evariste Ntirenganya
Hanna OLeary
Kiera Orris
Amanda Ostrander
Jonathan Parnell

Rishin Patel
Daniel Patterson
Philip Pearce
Christina Peck
William Perrault
Haley Pope
La'Nita Powell
Rebekah Presson
Margaret Puckett
Sheetal Puri
Andra Radu
Mary Rawn
Rebecca Reisberg
Jessica Riccio
Ryan Richardson
Brooke Richey
Jeannine Richman
Heather Roberson
Grace Rogers
Haley Rosenbach
Matthew Rubush
Stephanie Ruggeri
Brook Sakowski
Michael Saulnier
Rachel Sears
Andrew Sellitto
Maggie Shaffer
Scott Singletary
Kornravee Sintavanon
Brie Sisak
Emily Sisk
Meredith Sloboda
Carly Smith
Jocelyn Smith
Krista Smith
Zachary Spicer
Alicia Starnes
Carson Steen
Nicholas Steward
Mark Storey
Courtney Stroud
Matthew Sullivan
Steven Sumner
Shanique Sumter

Everett Swimm
Kayla Sykes
Shung Li Tan
Willie Tate
Test Test
Zachary Thomasson
Thomas Tillery
Tawnia Tolliver
Joel Townsend
Matthew Travison
Bat-Ulzii Tumur-Ochir
Susanne Turlington
Sarah Turpin
Amelia Uffelman
Christopher Vaughan
Tessa Vinson
Cassandra Wagner
Kristin Wagoner
Mandy Wakem

Gordon Walker
Jennifer Walker-Crawford
Nancy Wang
Evan Wardrop
Joshua Waters
Kayla Watkins
Madeleine Watkins
Lacey Way
Samuel Weldon
Mitchell West
Vanna Whitaker-Kufs
Patricia Whitted
Madison Williams
Daniel Wolf
Mitchell Woodard
Jordan Woods
Wesley Wright
Kevin Yang
Minghui Zhao

Rescind Form of Practice Statements –Joseph S. Myers, III, #28802, signed a Form of Practice Statement due to his employment. However, due to rule changes staff recommended that the statement be rescinded. The Committee recommended that the Board approve the status change.


REPORT OF THE PERSONNEL COMMITTEE: Messrs. Biggs and Williams moved to approve the proposed changes to Board Personnel Manual. Motion passed with seven (7) affirmative and zero (0) negative votes.

EXECUTIVE STAFF AND LEGAL COUNSEL REPORT: Mr. Nance provided an update on the Information Technology Assessment Report and the monthly Operational Metrics report, both parts of the Board Strategic Plan.

ADJOURNMENT: Messrs. Burgess and Biggs moved to adjourn the meeting at 10:46 a.m. Motion passed.

Respectfully submitted:

Attested to by:


Robert N. Brooks
Executive Director


Wm. Hunter Cook, CPA
President

Memorandum of Agreement

[Revised May 24, 2017]

Background

Compliance with Generally Accepted Government Auditing Standards (GAGAS) and the overall quality of work performed are concerns to the undersigned on behalf of their organizations. In 2005, representatives from state government agencies and the public accounting profession came together to focus on known problems and discuss solutions. One of the solutions agreed upon by all parties was a quality review and referral process. Since then, the undersigned parties have discussed current circumstances and amended the process as described below.

The parties agree that the process represents an effective means of addressing concerns about governmental audit quality. To ensure that the agreement continues to effectively serve its intended purpose, all parties agree to reconsider the provisions of this agreement on an every-other-year basis or in the event that circumstances change to warrant reconsideration.

Process

Local Government Commission (LGC):

Representatives from the LGC, a section within the Department of State Treasurer, routinely receive annual audit reports and perform desk reviews on those reports. LGC representatives issue "white letters" to document this process and then work with CPA firms to correct reporting deficiencies and errors in these audit reports while addressing deficiencies noted in those "white letters."

The North Carolina State Board of CPA Examiners (State Board), in accordance with state public records law (G.S. Chapter 132), will request, and the LGC staff will provide, copies of "white letters" for all audits to the State Board. If, during the course of fulfilling its responsibilities for overseeing local government audits, the LGC obtains other information indicating that there is a significant risk of substandard audits being performed, such information will be provided to the Office of the State Auditor (OSA).

Office of the State Auditor (OSA):

The OSA places reliance on local government audit reports when reporting on the State of North Carolina's compliance with requirements applicable to major federal programs. In particular, local governments perform a portion of the eligibility function for the State of North Carolina, and this function is audited by local CPAs. To help substantiate the basis for reliance on the other auditors' work, the OSA performs reviews of audit documentation related to certain federal program eligibility.

The OSA may find it necessary to review other auditors' work for other reasons. For example, based on the review of an audit contract, report for a state entity or an entity receiving state funds, or referral from the LGC, the OSA may conclude that a review of the audit documentation is warranted.

At the conclusion of any of these reviews, the OSA provides the reviewed auditor with a letter of comments outlining recommended audit improvements and also requests a written response from the CPA firm. Based on the written response, the OSA may adjust its letter of comments.

The State Board, in accordance with state public records law (G.S. Chapter 132), will request, and the OSA will provide, copies of the final letters of comments, responses, and any related correspondence to the State Board.

North Carolina State Board of CPA Examiners (State Board):

State Board staff identifies risks of substandard audits through sources such as official complaints received, referrals from governmental agencies (including the LGC and OSA), and internal risk assessments performed by the State Board. Once a risk of a substandard audit is identified and assessed, the State Board staff may open a case for investigation. Cases opened are not public information.

State Board staff and staff attorney will present the case to the Professional Standards Committee which will determine if further action needs to be taken.

Nothing in this Agreement is intended to limit the authority of the State Board or dictate any particular course of action under that authority in matters dealing with compliance with standards.

North Carolina Association of CPAs (NCACPA):

The NCACPA, a voluntary membership association, will acknowledge and promote the process described above to its members so they are aware of the efforts to improve compliance with Generally Accepted Governmental Auditing Standards (GAGAS). The NCACPA will continue to offer high quality professional development programs to enhance the competency of NC CPAs.


Local Government Commission

6/8/2017
Date


Office of the State Auditor

6/12/17
Date


North Carolina State Board of CPA Examiners

6/22/17
Date


North Carolina Association of CPAs

6/15/17
Date

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD
OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2017108

IN THE MATTER OF:
Jon-Michael Devine, CPA, #31900
Respondent

ORDER

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Jon-Michael Devine (hereinafter "Mr. Devine") is the holder of a certificate as a Certified Public Accountant in North Carolina.
2. Mr. Devine failed to timely file the annual firm registration for Jon-Michael Devine, CPA, PLLC, in accordance with provisions as required by N. C. Gen. Stat. §93-12 (7b) and 21 NCAC 08J .0108 (b) and (g), and 08N .0213.
3. Mr. Devine subsequently renewed his firm registration, which was received by the Board on February 10, 2017, less than sixty (60) days from the annual firm registration date.
4. Pursuant to 21 NCAC 08J .0111(1), because Mr. Devine's infraction was for a period of less than sixty (60) days, the appropriate penalty is one hundred dollars (\$100).
5. Mr. Devine has paid his civil penalty and consents to the entry of this Order and has waived any right to a hearing.
6. The Board members present, representing a quorum of the Board, have unanimously decided to accept Mr. Devine's payment as full resolution of the aforementioned rules violation.

This the 22 day of JUNE, 2017.
(Day) (Month) (Year)



NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS

BY: Wm. Hunter Card
President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2017115

IN THE MATTER OF:
Galadriel E. Williams, CPA, #37886
Respondent

ORDER

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Galadriel E. Williams (hereinafter "Ms. Williams") is the holder of a certificate as a Certified Public Accountant in North Carolina.
2. Ms. Williams failed to timely renew or cancel the annual firm registration for Galady Williams, CPA, in accordance with provisions as required by N. C. Gen. Stat. §93-12 (7b) and 21 NCAC 08J .0108 (b) and (g), and 08N .0213.
3. On February 21, 2017, Ms. Williams informed the Board that she does not desire to renew the firm registration for Galady Williams, CPA, for the coming year.
4. Pursuant to 21 NCAC 08J .0111(1), because Ms. Williams' infraction was for a period of less than sixty (60) days, the appropriate penalty is one hundred dollars (\$100).
5. Ms. Williams has paid her civil penalty and consents to the entry of this Order and has waived any right to a hearing.
6. The Board members present, representing a quorum of the Board, have unanimously decided to accept Ms. Williams' payment as full resolution of the aforementioned rules violation.

This the 22 day of JUNE, 2017.
(Day) (Month) (Year)



NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS

BY: Wm. Hunter Cook
President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2017065

IN THE MATTER OF:
Ward I. Scott, CPA, #20594
Respondent

CONSENT ORDER

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners ("Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N. C. Gen. Stat. § 150B-41, the Board and Respondent stipulate to the following:

1. The Respondent is the holder of North Carolina certificate number 20594 as a Certified Public Accountant.
2. The Respondent informed the Board on his 2016-2017 individual certificate Renewal ("Renewal") that between January 1, 2015, and June 30, 2016, he had obtained the requisite forty (40) hours of continuing professional education ("CPE") to meet the 2015 CPE requirements.
3. Based on the Respondent's representation, the Board accepted his Renewal.
4. The Board staff requested that the Respondent provide certificates of completion for the CPE reported to meet his 2015 requirements.
5. The Respondent provided proof of his base forty (40) hours of CPE but was unable to provide documentation of at least two (2) hours of ethics from a sponsor registered with NASBA that he earned between January 1, 2015, and June 30, 2016, to meet the 2015 ethics CPE requirement.
6. The Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. The Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. The Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. The Respondent's actions as set out above constitute violations of 21 NCAC 08N .0202(a), .0202(b)(3), and .0202(b)(4).
3. Per N.C. Gen. Stat. § 93-12(9), 93-10(b) and also by virtue of the Respondent's consent to this order, the Respondent is subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and the Respondent agree to the following Order:

1. The Respondent's failure to provide adequate documentation of CPE renders the Renewal insufficient and untimely. The Respondent's failure to adequately renew his certificate results in an automatic forfeiture pursuant to N.C. Gen. Stat. § 93-12(15).
2. The Respondent must return his certificate to the Board within fifteen (15) days of his receipt of the Board's notification of its approval of this Consent Order.
3. The Respondent may apply for the reissuance of his certificate after one (1) year from the date the Board approves this Consent Order as long as the civil penalty required in number five (5) of this Order has been timely received by the Board.
4. The Respondent may apply to return his certificate to active status by submission and approval of a reissuance application which includes:
 - a. Application form,
 - b. Payment of the application fee,
 - c. Three (3) moral character affidavits, and
 - d. Forty (40) hours of CPE in the twelve (12) months preceding the application including an eight (8) hour accountancy law course as offered by the North Carolina Association of CPAs.

Consent Order - 3
Ward I. Scott, CPA

5. The Respondent shall pay a one thousand dollar (\$1,000) civil penalty, to be remitted to the Board prior to submitting a reissuance application.
6. The Respondent agrees that failure to timely comply with any terms of this agreement and Consent Order shall be deemed sufficient grounds for revocation of his certificate.

CONSENTED TO THIS THE 12 DAY OF JUNE, 2017.
(Day) (Month) (Year)
Ward I. Scott
Respondent

APPROVED BY THE BOARD THIS THE 22 DAY OF JUNE, 2017.
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: Wm. Hunter Cook
President